

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF)	
EOG RESOURCES, INC. FOR AN ORDER)	
ESTABLISHING DRILLING AND SPACING)	Cause No. _____
UNITS AND ESTABLISHING WELL)	
LOCATION RULES FOR THE NIOBRARA)	Docket No. _____
FORMATION OF CERTAIN DESCRIBED)	
LANDS LOCATED IN TOWNSHIP 9 NORTH,)	
RANGE 65 WEST, TOWNSHIP 10 NORTH,)	
RANGES 64-65 WEST AND TOWNSHIP 11)	
NORTH, RANGES 64-67 WEST, 6 TH P.M.,)	
WELD COUNTY, COLORADO)	

APPLICATION

EOG Resources, Inc. (“Applicant”), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order establishing fifty-two (52) approximate 640-acre drilling and spacing units and establishing existing well location rules applicable to the drilling and producing of wells from the Niobrara Formation covering certain described lands in Weld County, Colorado and in support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.

2. Applicant owns certain leasehold interests in the lands described on Exhibit B attached hereto and incorporated herein by reference (hereafter the “Application Lands”). A reference map of the Application Lands is attached hereto.

3. The Application Lands are subject to Commission Rule 318.a. which provides that a well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing. There are no other specific Commission Orders applicable to the Niobrara Formation underlying the Application Lands.

4. The Niobrara Formation in this area is defined as the stratigraphic equivalent of the interval between 7,724’ (top of the Niobrara) and 8,022’ (base of the Niobrara) as found in the Amoco #1 Champlin 291 – Amoco “A” Well located in Township 10 North, Range 65 West, Section 15: SE/4SE/4, Weld County, Colorado. The Niobrara Formation is a common source of supply underlying the Application Lands.

5. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish drilling and spacing units of approximately 640 acres as more particularly described in Exhibit B attached hereto and incorporated herein by reference.

6. That Applicant has drilled, tested and completed wells in the Niobrara Formation upon lands in close proximity to the Application Lands.

7. That the above-proposed drilling and spacing units will allow efficient drainage of the Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. Drilling and spacing units of the size and shape specified above are not smaller than the maximum area that can be economically and efficiently drained by the proposed well in each such drilling and spacing unit.

8. That the Applicant is requesting to drill and complete one (1) horizontal well in each of the established 640-acre drilling and spacing units comprised of the Application Lands. The Applicant states that each proposed horizontal well shall be located on the surface anywhere within the designated drilling and spacing unit with initial perforation of the Niobrara Formation and an ultimate bottomhole location no closer than 600' from the boundaries of the drilling and spacing unit. The Applicant further maintains that the proposed horizontal wells will have no adverse effect on correlative rights of adjacent owners.

9. On February 22, 2010 the Commission entered Order No. 421-1 which established fifty-eight (58) approximate 640-acre drilling and spacing units in Townships 11 and 12 North, Ranges 62 and 63 West for the production of oil, gas and associated hydrocarbons from the Niobrara Formation with no more than one (1) horizontal well to be drilled in each unit. The lands in Order No. 421-1 lie to the northeast of the current Application Lands. Order No. 421-1 further ordered that the surface location for each horizontal well shall be located anywhere within the unit, provided that the horizontal leg into the Niobrara Formation shall not be closer than 600 feet to the outside boundary of the drilling unit and the terminus of the horizontal leg shall not be any closer than 600 feet to the outside boundary of the drilling and spacing unit without exception being granted by the Director of the Oil and Gas Conservation Commission. Applicant requests that the Commission take administrative notice of the exhibits and testimony presented by Applicant in Order No. 421-1.

10. On August 12, 2010, the Commission entered Order No. 535-2 approving Rubicon Oil & Gas, LLC's request for one hundred forty-five (145) approximate 640-acre drilling and spacing units in Townships 8, 9, 10, and 11 North, Ranges 65, 66, 67 West, 6th P.M., Weld County, Colorado, for the production of oil and gas and associated hydrocarbons from the Codell and Niobrara Formations and allowed two (2) horizontal wells in each unit, with the initial formation penetration, lateral leg, and terminus (bottomhole location) of the permitted wells no closer than 600 feet from the boundaries of the unit and the initial formation penetration, lateral leg and terminus (bottomhole location) of the second well not closer than 1,200 feet from the first well. Applicant requests that the Commission take administrative notice of Order No. 535-2 specifically as it relates to the Commission's past approval of a large number of units and the location of such units to the current Application Lands.

11. On October 21, 2010, the Commission entered Order No. 421-3 approving Applicant's request to expand Order No. 421-1 to include an additional eighty-four (84) approximate 640-acre drilling and spacing units in Township 12 North, Range 61 West, Townships 10, 11 & 12 North, Range 62 West, Townships 10, 11, and 12 North, Range 63 West, and Townships 11 & 12 North, Range 64 West in Weld County, Colorado for the production of oil, gas and associated hydrocarbons from the Niobrara Formation with no more than one (1) horizontal well to be drilled in each unit. The lands in Order No. 421-3 situated in close proximity to the current Application Lands. Order No. 421-3 allowed the surface location for each horizontal well to be located anywhere within the unit, provided that the horizontal leg into the Niobrara Formation shall not be closer than 600 feet to the outside boundary of the drilling unit and the terminus of the horizontal leg shall not be any closer than 600 feet to the outside boundary of the drilling and spacing unit without exception being granted by the Director of the Oil and Gas Conservation Commission. Applicant requests that the Commission take administrative notice of the exhibits and testimony in Order No. 421-3.

12. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A that the undersigned certifies shall be filed with the Commission and served on each interested party within seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this ____ day of December, 2010.

Respectfully submitted,

EOG RESOURCES, INC.

By: _____

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VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Jason McLaren, Landman, with EOG Resources, Inc., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

EOG RESOURCES, INC.

Jason McLaren, Landman

Subscribed and sworn to before me this _____ day of December, 2010, by Jason McLaren,
_____ for EOG Resources, Inc.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

INTERESTED PARTIES

EXHIBIT B

LIST OF DRILLING AND SPACING UNITS

Township 9 North, Range 65 West
Section 6

Township 10 North, Range 64 West
Sections 6-8, 10, 16-22, 29, 32

Township 10 North, Range 65 West
Sections 1, 2, 4, 8, 10, 12-14, 18, 20, 22, 28, 30, 34

Township 11 North, Range 64 West
Section 30

Township 11 North, Range 65 West
Sections 15, 19, 20, 23-26, 29-31, 33

Township 11 North, Range 66 West
Sections 15, 19, 20, 25, 28-30, 32-35

Township 11 North, Range 67 West
Section 34